



U.S. Department of Justice

United States Attorney
Eastern District of California

501 I Street, Suite 10-100
Sacramento, California 95814

916/554-2700
Fax 916/554-2900

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**FIRST DEFENDANT PLEADS GUILTY FOR MULTI- MILLION DOLLAR
NATIONWIDE AND INTERNATIONAL CABLE PIRACY**

SACRAMENTO--McGregor W. Scott, United States Attorney for the Eastern District of California, Sacramento County Sheriff Lou Blanas, on behalf of the Sacramento Valley Hi-Tech Crimes Task Force, Special Agent in Charge Victor Song, Internal Revenue Service - Criminal Investigation, and Resident Agent in Charge Brady Mills, United States Secret Service, announced today the guilty plea of CARLO MIRELES, for his participation in a fraudulent nationwide and international cable piracy scheme that resulted in the sale and distribution of approximately fifty thousand cable descramblers designed to illicitly obtain cable programming, and that resulted in gross sales of over \$10 million.

The case is the product of an extensive investigation jointly conducted by the Sacramento Valley Hi Tech Crimes Task Force, the Internal Revenue Service-Criminal Investigation, and the United States Secret Service, with the assistance of the United States Postal Inspection Service. Investigative assistance was also provided by cable operators Comcast and CSC Holdings, Inc., commonly known as Cablevision.

MIRELES, age 29, of Las Vegas, Nevada, entered a guilty plea today before Chief Judge David Levi, United States District Judge, to seven felony charges associated with the scheme including: (1) conspiracy to assist in the unlawful interception and reception of communications services offered over a cable system and to commit mail fraud (one count); (2) mail fraud (one count) ; (3) assisting in the unlawful interception and reception of communications services offered over a cable system (4 counts); and (4) conspiracy to commit money laundering (one count). As part of the agreement, defendant has agreed to cooperate with the government, among other things, in connection with the pending prosecution.

According to Assistant United States Attorney S. Robert Tice-Raskin, who is managing the criminal prosecution, defendant MIRELES admitted that, between May, 1998, and December, 2003, he and indicted co-conspirator DARRYL SCOTT POLL, age 41, of Simi Valley, California, participated in a widespread scheme and conspiracy in the Eastern District of California, around the country, and abroad, to acquire, manufacture, and distribute cable television descramblers, for the purpose of assisting individuals in the unauthorized reception of premium and pay-per-view cable television programming. Defendant MIRELES further

admitted that he and defendant POLL engaged in a conspiracy to launder proceeds obtained from the scheme in order to promote the continuation of the scheme. Defendant MIRELES admitted that he and defendant POLL, doing business as Wholesale Electronics and Red Rock Group, Ltd., operated a multi-million dollar "cable piracy" business which manufactured and sold cable television descramblers allowing illicit access to cable programming. Defendants POLL and MIRELES advertised the descramblers extensively through a series of websites on the Internet and also through national magazines. Defendants and their employees manufactured and sold the devices from facilities located in Simi Valley, California. The devices were specifically modified and/or designed to allow consumers to receive premium and pay-per-view cable television programming without the knowledge or authorization of cable operators. As a result, consumers across the county who used the descramblers would be able to receive unlimited cable programming for free, defrauding cable operators of subscription fees for the pirated programming.

According to AUSA Courtney Linn, who is managing the parallel civil forfeiture action for this matter, defendant MIRELES specifically agreed as part of his plea to forfeit over \$100,000 in funds associated with the scheme, his GMC Denali SUV, as well as his Las Vegas residence.

Defendant MIRELES faces a maximum penalty of up to 53 years imprisonment and fines of \$1.75 million or twice the pecuniary gain, whichever is higher. (His actual sentence will be based on an application of the appropriate U.S. Sentencing Guidelines). Sentencing has been scheduled for May 13, 2004. Defendant MIRELES remains out of custody and conditions of release, pending sentencing.

Defendant POLL previously entered a plea of not guilty and has been released on bail. He is next scheduled to appear in court on March 4, 2004 for a status conference.

The United States Attorney's Office notes that the complaint and indictment on file are only accusations, and that defendant POLL is presumed innocent until and unless proven guilty.

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